

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6409

BILL NUMBER: HB 1318

NOTE PREPARED: Jan 9, 2006

BILL AMENDED:

SUBJECT: Research Expense Credit.

FIRST AUTHOR: Rep. Borror

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: Pending

Summary of Legislation: This bill provides that the alternative research expense tax credit for jet propulsion systems also applies to taxpayers engaged in the production of or research and development related to military defense systems. The bill provides that a taxpayer must employ at least 1,000 employees in the United States, including at least 50 employees in Indiana (rather than 3,000 employees) to be eligible to claim the tax credit and extends the tax credit to taxpayers that are primarily engaged in research and development (rather than only those taxpayers that are primarily engaged in production).

Effective Date: January 1, 2007.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Diane Powers, 317-232-9853.